

TERMS.

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REPORT UPON THE FISCAL  
AGENT.

THE SECRETARY OF THE TREASURY, in  
compliance with the resolution of the House  
of Representatives of the 15th inst., has  
the honor of submitting the draught of a  
bill for the establishment of a Board of Ex-  
chequer at the seat of Government, with a  
branch in the several States and Territories.

In preparing this bill, it has been his in-  
tention to keep within, and to fill up, the  
general outline of the measure, as proposed  
in the Message of the President at the open-  
ing of the session; but he does not flatter  
himself that it will be found so perfect  
in its details as not to require modifications  
and careful revision by the two Houses of  
the Legislature.

As this measure has, necessarily, been  
for some time under the consideration of the  
President and his constitutional advisers,  
the undersigned is directed by him to ac-  
company the bill with a general exposition  
of the views entertained by him, and con-  
curred in by them, respecting it.

In what manner and under what securi-  
ties the public money shall be kept; in what  
manner, or whether in any manner, this  
Government shall attempt to supply a sound  
paper medium for payments to the Treasury  
and for the general uses of the People; in  
what manner, or whether in any manner,  
it shall attempt to benefit the general busi-  
ness of the country, by furnishing facilities  
of exchange, are questions which have not  
ceased to agitate the community for eight  
years.—Upon these questions much opposi-  
tion of opinion has prevailed, and ardent  
and intense political controversies and  
struggles have been founded. It is time  
that this state of things were brought to an  
end. It is time that such provisions were  
made for the custody of the revenue as that  
the People may feel that the public treas-  
ures are safe. It is time, too, that, in re-  
lation to currency and exchange, individ-  
uals may know what they have to expect,  
or whether they may expect anything from  
the measures of Government. Doubt and  
uncertainty in this respect constitute the  
worst of all conditions. They affect every  
man's means of living, and, instead of giv-  
ing encouragement, and applying a stimu-  
lus to individual exertion and effort, check  
the hand of industry, suppress the spirit of  
enterprise, and bring stagnation and paral-  
ysis upon the productive powers of the  
country. On subjects so vitally connected  
with men's personal and domestic welfare,  
the People have a right to require that what  
is to be done should be done without fur-  
ther delay, in order that they may accom-  
modate themselves to the policy of the  
Government, whatever that policy may be,  
and be prepared to give a corresponding  
direction to their own industry and business.  
The great want of the country is the want  
of confidence: confidence in the steadiness  
and stability of the policy of the Govern-  
ment; confidence in that which regulates  
the value of property and the wages of la-  
bor; and confidence in the establishment  
and preservation of the necessary and or-  
dinary means of exchanging production  
against production, and of buying and sell-  
ing with security, so that the intercourse  
between different parts of the country may  
be carried on with its former activity and  
usefulness.—The object of the plan sug-  
gested to Congress in the President's mes-  
sage, and now presented for its considera-  
tion in the form of a bill, is to establish  
this confidence, and to give the country  
tranquility. It is designed to terminate  
contentions of long standing, and to re-  
store that peace, quiet, and satisfaction  
with the state of public affairs, without  
which men cannot pursue their vocations,  
either with cheerfulness or with success.  
Amidst the conflict of widely differing op-  
inions, a measure is recommended which  
avoids extremes on both sides. It proposes  
less, far less, than many think it desirable  
that Government should do, or attempt to  
do, and at the same time far more than oth-  
ers are ready to recommend. It aims at a  
just medium, a common ground, on which  
those who may consistently stop who might yet  
wish to go further, & to which they may ad-  
vance without self-reproach who would never-  
theless have desired to fall short of it. It  
does not attempt to collect, a capital by pri-  
vate subscription, for the general purpose  
of loans and discounts, and therefore does  
not propose to perform the ordinary func-  
tions of a bank. On the other hand, it does  
not propose to lock up the public moneys  
from the time of collection to the time of  
disbursement, nor to demand specie pay-  
ment for every debt due to the Government;  
making no attempt, at the same time, to  
furnish the country with either currency  
or exchange, and entirely contenting itself  
with securing specie payments into the  
Treasury. In these respects, it differs from

# BOON'S LICK TIMES.

"ERROR CEASES TO BE DANGEROUS, WHEN REASON IS LEFT FREE TO COMBAT IT."—JEFFERSON.

Vol. 2.

FAYETTE, MISSOURI, SATURDAY, JANUARY 15, 1842.

No. 44.

the system established by the law, now re-  
pealed, generally called the Sub-Treasury  
act.

It is not intended here to discuss the  
respective merits of these two systems,  
which may be regarded as extreme oppo-  
nents of each other. But it may be proper to  
say, in regard to the Bank of the U. States,  
that if there were in no quarter any consti-  
tutional objection to the creation of such an  
institution, it would nevertheless not have  
been recommended to Congress, in the pre-  
sent condition of things, as a measure likely  
to afford relief to the country. Such is the  
condition of the currency, in many of the  
States, such the deplorable depression of  
general credit, produced by that condition  
of the currency and by other causes,  
and such the existing pressure in the money  
market, arising as is believed, in a great  
degree, from want of confidence, that there  
is little probability that private subscrip-  
tions, payable in specie, would be obtained in  
any bank with an ordinary charter. This op-  
inion is strengthened by the fact, that six  
per cent. stocks of the United States, now  
in the market, go slowly and heavily in-  
private hands; and although this is doubt-  
less partly attributable to the short period  
within which those stocks are made re-  
deemable, yet the general fact concurs with  
other reasons in producing a full conviction  
that it would be useless, at the present  
moment, to attempt the creation of a bank,  
with a capital to be furnished principally  
by private subscriptions, and intended to  
discount, through its branches, bills, and  
notes, in all parts of the country, even if  
constitutional objections were out of the  
way. And in regard to the Sub-Treasury  
system, it is perhaps enough to say, that it  
is supposed a return to that system, at any  
time hereafter, is an event highly improbable.

Between these—a bank on the one hand  
and the system of the Sub-Treasury on the  
other—the present plan is offered, seeking  
to avoid the objections which exist to each,  
and to accomplish, to some extent, the good  
designed by both. The plan, such as it is,  
will be received and considered, it is not  
doubted, in a spirit of candor and concilia-  
tion, and with a disposition, not so much to  
persist in the pursuit of what may be un-  
attainable, as to turn to the greatest prac-  
tical advantage of the country the use  
of all those means the employment of which  
may be expected to meet the general con-  
currence.

The bill now submitted may be consid-  
ered as having three principal objects in  
view:  
1st. The safekeeping of the public moneys.  
2nd. The furnishing, as well for safe  
and convenient payments to the Treasury  
as for the use of the country, a paper cir-  
culation always equivalent to gold and  
silver, and of universal credit.  
3d. A provision for supplying, to some  
extent, the means of a cheap and safe ex-  
change in the commerce between the several  
States.

Of the high importance of the first of  
these objects, no one can entertain a doubt.  
The public moneys are received by Govern-  
ment, from the People, for the necessary  
uses of the country, according to the  
Constitution, and ought ever to be esteemed  
a sacred trust. They are earned by the in-  
dustry of the People; and, while safely  
guarded, and applied only to really neces-  
sary and constitutional purposes, will be  
cheerfully contributed by a patriotic com-  
munity. The People have a right to be as  
safe as good laws and a faithful administra-  
tion can make them, against both waste and  
loss. It was the remark of the late Presi-  
dent, striking by its brevity as well as its  
truth, that every dollar lost by unfaithful-  
ness in office tends to create a new charge  
upon the People; and this truth cannot be  
kept too fully or too constantly in view.

Debts and dues accruing to the United  
States are paid, in the first place, into the  
hands of the appropriate collectors and re-  
ceivers. In these hands the safety of the  
funds are secured by the integrity and care  
of the officer, and the sufficiency of his of-  
ficial bonds, and by the enforcement of a  
strict system of frequent accounting. In  
the early history of the Government, and  
sometimes at more recent periods, when  
public moneys were to be used for their  
proper purposes, the drafts of the Treasury  
have been made directly on these first re-  
cipients. At other times, and when there  
has been a Bank of the United States in  
existence, the law has required that those  
moneys should be deposited in such bank.

By the act of June, 1836, it was pro-  
vided that public moneys should be deposi-  
ted in certain State Banks, called deposite  
banks; and, finally, by the Sub-Treasury  
act, they were to be kept by the mint and  
its branches, and by certain officers called  
receivers-general.

In all these modes of securing, or at-  
tempting to secure, the safety of the public  
treasures, it is obvious the main reliance,  
after all, has been placed in the honesty and  
integrity of public officers; there being su-  
peradded, however, in the case of deposite  
banks, the guaranty supposed to be af-  
forded by their capital; and in the case of  
individuals, a security by the execution of  
official bonds, with responsible sureties. But  
in none of these modes, any more than in  
any thing else which becomes the subject of  
human trust in human hands, could it ever  
be affirmed that the funds were absolutely  
secured, and safe beyond all possibility of  
loss or danger. Committed to the care of  
the deposite banks, to the skill of their offi-  
cers and the pledge of their capital, we  
know from experience that the public mo-  
ney was not safe. Deposited with a Bank  
of the United States, a though no loss ever  
actually happened from such deposit, we  
now see enough to know that there was  
danger, and that the safety of the public

depended upon a degree of discretion in the  
management of the institution, of the exis-  
tence and continuance of which we had not,  
and could not have, perfect assurance.  
And, under the operation of the Sub-Treasury  
law, every thing resolved itself, at last,  
into confidence in the honesty and integ-  
rity of agents, and the sufficiency of their  
bonds. There were, it is true, chambers  
and vaults, with thick walls and strong  
locks; but human hands held the keys.  
Under that system of public custody, the  
same temptations existed which surround  
men of doubtful principles or wavering in-  
tegrity in other situations of public trust;  
and, if the system had continued, these tem-  
ptations were as likely to have shown their  
power over those employed under it as the  
have done in other cases.

It is confidently believed that the present  
bill contains all that is practicable, and can  
be useful, towards establishing a safe custo-  
dy or place of keeping the funds of Govern-  
ment. The system which it proposes  
will evidently possess some eminent advan-  
tages of safety over a bank. In banks ex-  
cessive loans, and a disposition, often  
prompted by their own interest, to carry  
their accommodations to quite unreasonable  
lengths, are a great source of danger.  
The Board of Exchequer will be free from  
this. It is to make no loans, and to give  
no accommodations. Operations in ex-  
change, when founded in real business  
transactions, are usually safe in well-con-  
ducted banks. Indeed, regular dealing in  
exchange is the safest of all banking  
transactions, and in this respect, the present  
measure promises still greater safety than  
attends the same business in banks,  
from the strict limitations imposed on it,  
and the absence of all motive to run into  
excess. Banks, too, as we have seen, are  
sometimes induced to depart altogether  
from their proper sphere of business, and to  
entangle themselves with commercial specu-  
lations. But into no such speculations  
will the Board of Exchequer enter.

There is plainly, therefore, less danger in  
the system now proposed than in a bank,  
so far as danger arises from the manner in  
which the public funds may be used; while  
in all other respects its advantages are  
equal to those of the best conducted bank-  
ing institutions.

It may be said that it is hazardous, in all  
cases, to suffer the public funds to be em-  
ployed, in any degree, in exchange or other  
dealing. If it be admitted that this objec-  
tion is not without its force, it must be ack-  
nowledged, at the same time, on the other  
hand, that these funds would be used, not  
only for purposes of exchange, but in gen-  
eral accommodation loans, and to a great  
and often dangerous extent, by any bank  
in which they should be deposited. But, it  
after all, it be regarded as possible that oc-  
casional losses may happen from deal-  
ing in exchange, with the limitations pro-  
vided in the bill, it will then be for Congress to de-  
cide, whether a danger so contingent shall  
induce it to reject the bill, and to prefer a  
system which locks up from all use every  
dollar of the public money, from its receipt  
to its disbursement. As the evil of thus  
withholding so large a portion of the cir-  
culation from the general uses of society,  
by retaining it until wanted for disburse-  
ment, is manifestly a great evil, especially if  
the funds thus withdrawn be in the precious  
metals, it ought not to be suffered to exist,  
unless the danger from the adoption of an-  
other system be equally manifest.

A plain, practical, and important public  
good ought not to give way to dangers of  
doubtful occurrence, or likely to be slight  
in degree, if they should occur. Some  
risks must be run whenever anything im-  
portant is attempted in regard to revenue  
and finance, as well as in other business of  
life; and the true question must always be,  
whether the danger of loss be so clear and  
so great, as to overbalance the evident and  
certain benefits. And it is to be borne in  
mind also, that, although the present mea-  
sure has not profit to Government or aug-  
mentation of revenue or its object, yet  
that the operations of the Exchequer are  
expected to result in some amount of earn-  
ing; so that, if occasional losses should oc-  
cur, such earnings may make them good.

The Board of Exchequer, it is to be pre-  
sented, will be composed of men of high  
character, known to the country, and pos-  
sessing its confidence.

It will be their duty to superintend and  
watch over the conduct of those who pay,  
and to receive money from day to day,  
and to demand from all such agents prop-  
er bonds, with responsible sureties; and it will  
be their duty, also, to prescribe and enforce  
a system of regular and prompt accounting,  
which shall know neither indulgence nor  
delay. At the principal Board, and at each  
agency, the business of every day may be  
closed, and each subordinate officer called  
on to account for his receipts, before the  
day itself closes. Over this Board the Sec-  
retary of the Treasury will exercise a su-  
perintending power, by the right of calling  
for all accounts, general and particular, as  
often as he pleases. And finally, the absolute  
authority of Congress will exist over the  
whole. Congress will have created no cor-  
poration; it will have conferred no privi-  
leges or benefits, except on the public; it  
will have granted no vested rights to indi-  
viduals; it will have parted with no portion  
of its power, but its authority will remain  
to amend, to supervise throughout, or to  
abolish altogether the system, at all times,  
according to its pleasure.

If entire trust may not be reposed in an  
institution thus guarded, it can only be be-  
cause human beings can never be the ob-  
jects of absolute confidence, nor human  
skill always adequate to the accomplish-  
ment of its objects.

Nor is the plan justly liable to the objec-

tion, that it creates a union of the purse  
and the sword, by giving the Executive the  
custody or control of the public money.—  
Far otherwise. The President cannot  
touch a dollar of the public money, by his  
own authority, nor change its custody.—  
The Secretary of the Treasury cannot  
touch a dollar, nor change its custody, ex-  
cept to meet the demands of the public  
service, and by a public official act. Who-  
ever shall come to the Exchequer for mon-  
ey, must show the law of Congress under  
which he comes; and no payment can be  
made but in compliance with such law.—  
Until appropriations are made by law, the  
President will have no more authority than  
any other individual in the country to take  
a dollar from the Exchequer.

The purse, then, is effectually severed  
from the sword; the executive power is  
confined to its proper function of executing  
the laws of Congress, and discharging its  
other high constitutional duties; and the  
public funds will be in their proper place,  
entirely beyond his reach or control, until  
Congress shall appropriate them to their  
destined purposes. From that time they  
will go into the hands of disbursing agents,  
as the public service may require, protected  
still by official responsibility and adequate  
bonds, and still beyond any interference by  
the Executive power. In the Exchequer,  
therefore, the public treasures will be safe  
—safe against the usual causes of loss and  
danger, and safe from Executive control.

But the Exchequer is expected to do  
more than merely to keep safe the public  
money.

Its second object is to furnish a sound  
paper circulation, in which debts to the gov-  
ernment may be paid, and which may also  
be useful to the commerce and general busi-  
ness of the country. The first of these  
functions is purely fiscal, and the instrumen-  
tality of such a paper medium, in certain  
exigencies of the country, may become in-  
dispensable to the exercise of the highest  
duties of Government.

In so reasoning upon this subject as to  
come to any practical conclusions, it is ne-  
cessary to consider some things as settled  
and certain. Among these, one of primary  
importance is, that a paper circulation ex-  
ists in the country, and that there is not  
the least probability of its ceasing to exist.

The States possess the power of creating  
banks of circulation; they exercise this  
power; many of them derive not unimpor-  
tant revenues from its exercise, and some  
of them even have established banks, of  
which they are themselves proprietors.—  
No man can reasonably expect to see the  
day when they will relinquish this power,  
or refrain from its exercise.

In the next place, experience has con-  
firmed the truth, beyond the possibility of  
doubt or question, that paper of State  
banks cannot be of universal circulation  
and credit; there never has been, and there  
is not now, any one State bank whose  
notes pass readily from hand to hand, as  
equivalent to specie, over all parts of the  
country. Many of these local institutions  
are perfectly sound, are well administered,  
and their credit in their own neighborhood  
entirely good and unquestioned. But from  
the very nature of things, their credit is &  
must be local only. It can never be uni-  
versal. The People are acquainted with the  
institutions of their own respective  
States, and generally understand the grounds  
of the claims of such institutions to confi-  
dence and respect. They pay attention  
also to whatever is established by the Gen-  
eral Government, because they have an in-  
terest in the laws which it passes. But the  
People, that is to say, the great mass of pro-  
ductive earners of one State, cannot, gen-  
erally speaking, be acquainted with the  
moneyed institutions of other and distant  
States. In most cases, they do not even  
know such institutions by name. How, then,  
can they give them their confidence? We  
see they do not give it, even where it  
might be most safely bestowed. They pre-  
fer the paper of their own banks, though  
they know it to be depreciated, to the pa-  
per of other banks, because they have con-  
fidence in the institutions of their own  
State, and because they know the amount  
of depreciation in the paper of such banks,  
whereas of the value of a note of a distant  
bank they are wholly ignorant. But this  
knowledge, which the great mass of the  
community does not possess, brokers and  
money dealers do, and they use it skilfully  
to their own advantage. A farmer of Vir-  
ginia will hesitate to receive in payment  
a New York note. He will prefer Vir-  
ginia paper, although he knows it is not equi-  
valent to specie, because he can form some  
opinion of its value, while of the New York  
note he knows nothing. But the holder  
of the New York note, at the same time,  
is able to dispose of it at the first broker's  
office at a large premium.

Every man in the habit of observing  
what passes around him must see every day  
the existence of this state of things; and  
its inevitable consequence is, to throw the  
loss of depreciation on the laborious and  
productive classes. Wherever bad paper  
circulates, it is the industrious and the hard-  
working who suffer first, and suffer longest,  
and suffer most. But it is not intended to  
pursue this part of the subject further than  
to illustrate and confirm the truth, that no  
State bank, founded on whatever capital,  
administered by whatever degree of fidelity  
and skill, can obtain that familiar charac-  
ter, and that established and well known credit,  
which shall give its bills circulation through-  
out all classes, in any amounts, and in all parts  
of the country.

Now, another most important truth, equi-  
tally well settled by experience, is, that  
paper issued for circulation, under the au-  
thority or with the sanction of the Govern-  
ment of the United States, does acquire

and retain this advantage of known and  
unquestioned character and universal con-  
fidence. No matter whether the note or  
bill present itself in Maryland or Missouri,  
Maine or Georgia, if it promise to pay in  
specie, on demand, and that promise be  
supposed to be guaranteed by the character  
and credit of the Government, it springs  
immediately to a value equivalent to specie.  
The impress of the National Government,  
connected with the fact of its immediate  
convertibility, stamps the paper with a  
mark of perfect and universal reliance, be-  
cause all the People in all the States, are  
alike interested in the General Government,  
alike acquainted with its proceedings, and  
have like faith in paper to which it gives  
its sanction. We seem to be called upon,  
therefore, to act on this subject with three  
important truths made clear before us: first,  
that a paper circulation will continue a  
moving us; second, that no paper circulation  
of universal credit can ever be furnished  
by State banks; third, that such a paper can  
be furnished under the authority of the  
Government of the United States.

It is under the influence of these reali-  
ties that it is now proposed to issue, to  
some extent, a paper currency, according  
to the provisions of this bill. Its uses are  
expected to be two-fold. In the first place  
as already stated, it will furnish a safe pa-  
per medium, in which payments may be  
made to Government of all debts and taxes.  
Few persons, perhaps, are sufficiently im-  
pressed with what would be the value of  
this, in certain emergencies.

Debts to Government are now to be paid  
in specie, or the notes of specie-paying  
banks. Let us suppose that some exigency  
should come suddenly upon the country,  
requiring the immediate assessment of heavy  
taxes, and that the same exigency should  
compel all the State Banks to suspend spe-  
cie payments. In such a posture of affairs  
how could the taxes be paid? Of specie  
there would be little to be had; of the bills  
of specie-paying banks, none. Govern-  
ment would be driven to absolute neces-  
sity to the use of paper resting on its own  
credit, and created for the occasion. It  
would have no other resource. All must  
see how vastly useful the system now pro-  
posed would be, upon the happening of such  
an emergency. The Exchequer would be  
found in operation, and in possession of a  
certain quantity of specie; its notes would  
have become familiar to the public; would  
have, in addition, to its specie and its own  
established character the amount of reve-  
nue, whatever the amount might be, to  
sustain its circulation. It would furnish  
notes for disbursement, and receive them  
for taxes. With these means, and by faith-  
ful and skilful management, though it might  
be embarrassed by the prostration of other  
institutions around it, it would still retain  
its own credit; and that would be a vivify-  
ing and fruitfully germ amidst general  
blight and barrenness. But this part of  
the bill has another purpose equally or still  
more important. The measure is intended  
for the People as well as for the Govern-  
ment. The issue of Treasury notes al-  
ways redeemable in gold and silver, and the  
use of them in payments from the Treasury  
and in the purchase of exchange, cannot  
but be beneficial, it is conceived, in a high  
degree, to the whole commerce and all the  
business concerns of the country. In this  
part of its operation the system presents  
itself as beneficent and productive of es-  
sential good. It seeks not Government  
emolument or Government convenience  
only, but the public good, the good of the  
people, in the largest and most comprehen-  
sive sense. Its effect is to give to the peo-  
ple, to their labor and their internal trade,  
the active use of funds which would other-  
wise be locked up, and to give them, at the same  
time, good money. It employs those funds  
to sustain credit, to supply a sound curren-  
cy, and to favor useful intercourse between  
the States. And it does this without assum-  
ing undelegated powers, or alarming the  
jealousy or wounding the pride of the  
States.

Yet it cannot with any justice or prop-  
riety be called a Government Bank. The es-  
sential elements of a bank are still want-  
ing to it. Government seeks not to fill its  
own coffers by discounts, or to make gains  
by the use of its own credit, or to make  
the issue of the Exchequer a substitute for  
revenue in order to meet its own neces-  
sities. Nor does it propose to inflict on the  
People the evils and the scourge of an un-  
redeemable Government paper, because no  
paper is to be issued which is not payable  
in gold or silver on demand—all paper thus  
resting on the double basis of immediate  
convertibility and the public faith. It is  
not easy to conceive how any paper intend-  
ed for circulation could be more safe or  
more useful for the purposes of commerce;  
and it is believed that it is just such a pa-  
per as the wants of the country now loudly  
demand.

The extent to which this paper may be  
issued and circulated is, it must be con-  
fessed, in some degree uncertain. This must  
depend on the amount of revenues collected  
and disbursed, and on the degree of success  
which may attend the operations provided  
for by another part of the bill. But, wheth-  
er the circulation of the notes of the Ex-  
chequer be larger or smaller, so far as that  
circulation shall extend it must be favorable  
to all interests. It cannot but conduce to  
the public welfare that there should be, in  
every part of the country some one insti-  
tution, or some one agency, which shall  
be of undoubted credit; and whose issues,  
be they great or small, shall be equivalent  
to coin.

If the circulation of the notes of the Ex-  
chequer from hand to hand, in the common  
business of life, should be found to be  
small, that fact will arise from one or the

other of two causes, or from the combined  
effect of both. If the amount issued should  
be small, then of course it can only fill the  
channels of circulation to a limited extent.  
And while the paper of the State banks  
shall continue depreciated and yet remain  
in circulation, Treasury notes, it is highly  
probable, will often be taken out of the  
general circulation and used for purposes of  
remittance. Their limited circulation in  
such cases would arise from their superior  
value in comparison with the value of oth-  
er paper. It would not be owing to want  
of confidence in them, but to their posses-  
sing the highest degree of confidence.

But if such use of Treasury notes should  
take place, and should diminish the amount  
circulated in daily transactions from hand  
to hand, yet that use itself would confer a  
general benefit of great importance, inas-  
much as all such remittances perform the  
office of furnishing safe and cheap ex-  
change, and co-operate directly with the  
results hoped to be produced by another  
provision of the bill. But if the Exchequer  
and its agencies be allowed to deal in ex-  
change, this use of its notes, although it  
might exist to some extent, would be far  
less considerable.

Among possible objections to the issue of  
redeemable Treasury notes, one may be,  
that they will be returned on the Ex-  
chequer for specie for exportation.

States and companies, it is known, owe  
heavy debts in Europe, and these States  
and companies it may be fancied will obtain  
Treasury notes, harness the Treasury by  
demands for specie, and send the specie  
thus obtained abroad in discharge of their  
obligations. A few words may dispel such  
an imagination.

In the first place, the argument, if it  
proves any thing, proves too much; for it  
proves that for the same reason all specie-  
paying banks ought to cease specie pay-  
ments. But the truth probably is, that  
these States and companies find less diffi-  
culty in lighting on some convenient mode  
of remittance than on commanding at the  
present moment the means of making re-  
mittances in any form. The general de-  
pression, with the co-operation doubtless of  
other causes, has suspended the power of  
obtaining such means. We must continue  
to hope that, under a better state of things  
and in better times, this power will revive,  
and when it shall we must look to our crops,  
to our freights, and to the general earnings  
of our industry, to enable us to meet the  
claims of creditors abroad. In the mean  
time, since neither States nor companies  
can obtain loans of Treasury notes, nor  
otherwise possess themselves of them than  
by buying and paying for them, we need  
not distress ourselves with apprehensions of  
runs on the Exchequer from that quarter.

It remains to say something upon that  
part of the bill which authorizes the Ex-  
chequer and its agencies to buy and sell  
domestic exchange, under certain limita-  
tions and restrictions.

That an institution founded on a more  
extensive plan, with a large monied capital,  
which should deal in exchanges on a broad  
scale, buying bills at long rates, or accept-  
ing bills on security, in order to enable  
drawers to anticipate their means, and thus  
afford capital and credit, as well as ex-  
change, strictly speaking, might, but for  
the dangers attending it, produce more ben-  
efit than that now proposed, may be safely  
admitted. But such a scheme involves the  
idea of making loans and advances, of ven-  
turing largely on the strength of personal  
security, and entering in no small degree  
into the hazards of commerce. No such  
purpose is intended by presenting the pre-  
sent bill to the consideration of Congress.  
On the contrary, the utmost concern has  
been felt to guard the proposed measure  
against all tendencies to such a system of ex-  
change operations.

In all its purposes, it looks to currency  
and to exchange, not to lending or discount.  
And it may well be a matter of serious  
consideration, whether such large powers of  
discount can be safely lodged in private  
institutions, with the power of making such  
discounts by the use of their own notes.

The supervisions and regulation of curren-  
cy belong to Government; the business  
of commerce and the borrowing and lend-  
ing of money to individuals. And perhaps  
no conviction is more rapidly taking pos-  
session of the minds of enlightened men,  
than that Government should not commit  
the high and important function of superin-  
tending and regulating the currency of a  
country to the hands of those whose occu-  
pation consists in making loans and dis-  
counts, whether on promissory notes or  
bills on time. Whenever a bank makes a  
loan, or a discount, by the use of its bills,  
it adds so much to the circulating medium  
of the country; and, in the absence of any  
other regulation or restraint, several hundred  
banks, whose palpable interest it is to in-  
crease the amount of circulation, are to de-  
cide, each in the exercise of its own discre-  
tion, to what extent that augmentation  
shall be carried. That to such a system  
there must be some check, or that, in the  
absence of all such check, the emission of  
paper will be continually tending to excess,  
must be manifest to every reflecting mind.  
It is not proposed to enter fully into this  
subject at present; but as it has already in  
other countries, so it must necessarily en-  
long in this, command the most serious at-  
tention of Government.

It is hoped that the measure now pro-  
posed to Congress will have some effect, at  
least, in counteracting the tendency to ex-  
cess in bank issues. While it may not ac-  
complish all that is desired, it is believed it  
will effect something. To the extent of  
its means employed, its operations will be  
calculated to restrain issues and to correct  
excesses; because, in the first place, every  
accession of good currency to the general  
mass, tends either to render the bad worth-  
less, so that in time it shall all give way  
to a better, or to compel those who issue such  
bad currency to raise its value by preparing  
for its redemption. If good currency  
could be put in circulation in such quantity  
as to meet the uses of the country, it must  
of course expel the bad, or bring about a  
change of its character; although it is